EXPLANATORY MEMORANDUM TO

HER MAJESTY'S CHIEF INSPECTOR OF EDUCATION, CHILDREN'S SERVICES AND SKILLS (FEES AND FREQUENCY OF INSPECTIONS) (CHILDREN'S HOMES ETC.) (AMENDMENT) REGULATIONS 2011

2011 No. 553

1. This explanatory memorandum has been prepared by the Department for Education and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1. Her Majesty's Chief Inspector of Education, Children's Services and Skills (Fees and Frequency of Inspections)(Children's Homes etc) (Amendment) Regulations 2011 ("the 2011 Regulations") make amendments to the fee levels prescribed in Her Majesty's Chief Inspector of Education, Children's Services and Skills (Fees and Frequency of Inspections) (Children's Homes etc.) Regulations 2007 (SI 2007/694) ("the 2007 Regulations").

2.2. The effect of the 2011 Regulations is to make changes to the level of annual fees payable by voluntary adoption agencies, adoption support agencies, children's homes, residential family centres, boarding schools, residential special schools, residential colleges, and by local authorities for inspection of their fostering functions.

2.3. For some categories of providers, for example children's homes the level of fees payable are dependent on the number of places provided, as well as the fee set by the Regulations. These fees are capped at a maximum figure so as not to exceed the costs of inspection.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1. None.

4. Legislative Context

4.1. The 2007 Regulations prescribe the fees payable to Her Majesty's Chief Inspector of Education, Children's Services and Skills ("the Chief Inspector") for

- applications for registration or variation of registration and annual fees for regulation and inspection in respect of children's homes, voluntary adoption agencies, adoption support agencies, fostering agencies and residential family centres, made under sections 12(2), 15(3) and 16(3) of the Care Standards Act 2000 ("CSA 2000"),

- annual fees for the inspection of residential special schools, boarding schools and residential colleges, in respect of Tthe welfare of children accommodated by them, made under section 87D(2) of the Children Act 1989 and

- annual fees payable by local authorities for inspection of their adoption and fostering functions made under section 155 (1) and (2) of the Education and Inspections Act 2006 ("the 2006 Act").

4.2. The 2006 Act provided for the inspection of local authority adoption and fostering functions, the regulation and inspection of establishments and agencies under the CSA 2000 and the inspection of boarding schools etc to be transferred from the Commission for Social Care Inspection ("CSCI") to the Chief Inspector. (This took effect in April 2007). The 2007 Regulations made provision for the fees payable under the CSA 2000, the 2006 Act and the Children Act 1989. In 2009 and 2010 amendments were made to the 2007 Regulations by Her Majesty's Chief Inspector of Education, Children's Services and Skills (Fees and Frequency of Inspections)(Children's Homes etc.)(Amendment) Regulations

2009 ("the 2009 Regulations) and Her Majesty's Chief Inspector of Education, Children's Services and Skills (Fees and Frequency of Inspections)(Children's Homes etc.)(Amendment) Regulations 2010 ("the 2010 Regulations).

5. Extent

5.1. This instrument applies in relation to England only.

6. European Convention on Human Rights

6.1. As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1. In 2001, the Department of Health (DH) consultation paper *Frequencies of Inspection and Regulatory Fees* proposed a fee structure for regulatory work undertaken under the CSA 2000 and a move towards full cost recovery within 5 years. DH later decided that the timetable for reaching full cost recovery should be slowed to allow more affordable increases. Fees increased by 20% in 2003-04, 20% in 2004-05, 20% in 2005-06 and 15% in 2006-07.

7.2. The policy was to continue to move towards full cost recovery, but no changes to the fee levels were made in 2007/08 or 2008/09, mainly because it was necessary to review the fee structure in the context of the transfer of the regulation and inspection functions referred to in para 4.2 from CSCI to the Chief Inspector.

7.3. Ofsted carried out an organisation-wide efficiency review which reduced the costs of inspection and led to clearer data becoming available for the costs of inspection and regulation for 2007-8 and 2008-9. This was based on a model of the actual cost of inspection and other regulatory functions and has been thoroughly reviewed and audited.

7.4. This detailed analysis of the costs identified a number of providers whose fee under the 2007 Regulations would be more than the actual costs of inspection. The 2009 Regulations amended the 2007 Regulations to reduce the fees payable by those providers who had been identified as paying more than the full cost of inspection and regulation, so as to reflect the average actual cost.

7.5. However, there still remained a large proportion of providers, largely of children's homes, who were paying significantly less than the actual cost of inspection. Following the 2009 Regulations the then Government consulted in November 2009 on a proposal for a two tiered model for annual fees to begin in 2010. Following the consultation, it was decided to adopt this approach and to continue it for three years from 2010, to get closer to full cost recovery over time: So-

- for those providers whose fees had reached the average cost of inspection, based upon Ofsted's cost data (see paragraph 7.3), the annual fees were not increased by the 2010 Regulations.

- for those providers who were paying less than the average cost of inspection, the 2010 Regulations increased the annual fee from 1 April 2010 by 10%, Those providers whose fee level was already within 10% of full cost recovery had their increase limited so as not to exceed full cost recovery.

7.7. Ofsted's cost data also forms the basis for setting the annual fees for inspection for providers from April 2011. The Government have decided to continue this policy in the 2011 Regulations, with 10% increases for those providers whose fees are more than 10% below full cost recovery. Those providers whose fee level is already within 10% of full

cost recovery have their increase limited so as not to exceed full cost recovery. Those already at full cost recovery have no increase.

7.8. The fees that apply from April 2011 are set out in the table at Annex A.

8. Consultation

8.1. The Department has worked with Ofsted to analyse how their cost data compares to the fees set under previous Regulations. The Department consulted publicly from 18 November 2009 to 11 February 2010 on the fees to apply from April 2010, and whether to set 10% increases from 2010 or for each of the three years from 2010. The response to consultation is available on the Department's consultation website[1].

9. Guidance

9.1. No guidance is being produced but the providers affected will be notified by Ofsted of the level of fees payable under the 2007 Regulations as amended by the 2011 Regulations.

10. Impact

10.1. The impact on business, charities or voluntary bodies is an increase in fees for those providers where the fees are more than 10% below the full cost of inspection and regulation, while ensuring that providers do not face increases that take them above the full cost.

10.2. The impact on the public sector is the same as in 10.1.

10.3. An Impact Assessment is attached to this Memorandum.

11. Regulating small business

11.1. The legislation applies to small business.

11.2. To minimise the impact of the requirements on firms employing up to 20 people, the approach taken is to limit the increases to 10%.

11.3. The basis for the final decision on what action to take to assist small business, is that in light of the consultation, we expect the increases, limited to 10%, will be affordable.

12. Monitoring and review

12.1. Ofsted will monitor the cost of regulation and inspection. We plan to review the fee levels in Autumn 2011.

13. Contact

13.1. Contact Andrew Dalton at the Department for Education, Tel: 020 7340 7352 or e-mail: Andrew.Dalton@DCSF.gsi.gov.uk with any queries regarding the instrument.

[1] http://www.education.gov.uk/consultations/index.cfm?action=conResults&consultationId=1573&external=no&menu=3

Annex A

Annual Fees 2011-12

Voluntary adoption agencies
£834.90; or £417.45 in respect of each small branch.

Adoption support agencies
£834.90, or small adoption support agency £417.45.

Fostering agencies
£1597.

Children's homes

- 3 or fewer approved places, £1202.74;
- 4 - 69 approved places £1202.74 plus £119.79 for each approved place from the 4th to the 69th place inclusive;
- more than 69 approved places, £9120.

Residential family centre

- 3 or fewer approved places, £801.02;
- 4 - 6 approved places £801.02, plus £100.43 for each approved place from the 4th to the 6th place inclusive;
- more than 6 approved places, £1138.

Boarding school

- 3 or fewer approved places, £522.72;
- 4 - 17 approved places £522.72, plus £31.46 for each approved place from the 4th to the 17th place inclusive;
- 18 - 50 approved places, £994;
- 51 - 500 approved places, £1391;
- 501 - 800 approved places, £1789;
- more than 800 approved places, £2186.

Residential college

- 3 or fewer approved places, £522.72;
- 4 - 17 approved places £522.72, plus £31.46 for each approved place from the 4th to the 17th place inclusive;
- more than 17 approved places, £969.

Residential special school

- 3 or fewer approved places, £961.95;
- 4 - 23 approved places £961.95, plus £95.59 for each approved place from the 4th to the 23rd place inclusive;
- more than 23 approved places, £2899.

Local authority adoption and fostering functions

- relevant adoption functions £1549
- relevant fostering functions £2404.27.

Title:	Impact Assessment (IA)
Fees for inspection of children's social care settings, residential special schools, boarding schools and residential further education colleges etc	**IA No:** DFE0007
Lead department or agency: Department for Education	**Date:** 18/2/2011
Other departments or agencies:	**Stage:** Final
	Source of intervention: Domestic
	Type of measure: Secondary legislation
	Contact for enquiries: Andrew Dalton 020 7340 7352

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

How to set the annual fees which are payable to the Chief Inspector (Ofsted) for the inspection (and where appropriate, regulation) of all children's social care settings. Inspections underpin the quality of services and improve the information commissioners and service users have about quality. Organisations should contribute equitably to the cost of their own regulation, which they can recover through the fees they charge. However the inspection fees currently do not fully cover the costs of inspection. Increases in fees will reduce what is effectively a government subsidy, generating private benefits to providers. Intervention is necessary to ensure organisations contribute equitably to the cost of their own regulation.

What are the policy objectives and the intended effects?

To set fees for children's social care settings which are closer to Ofsted's actual costs of inspection (and where appropriate, regulation), thereby putting in place a fairer and more transparent approach to the cost of inspection.

To reduce Ofsted subsidy whilst maintaining sufficient provision in the full range of children's social care settings.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

0) To leave the fees unchanged.
1) To increase fees by 10% per year from 2011.
2) To increase fees by a greater amount, to reach cost recovery faster.

Option 1 is preferred. It reflects the results of consultation in 2009/10 which proposed introducing a fee increase of 10% per year from 2010 for three years (ie 2011 will be the second increase), until providers have reached full cost recovery.
It makes progress towards full cost recovery, whilst avoiding faster increases in fees that would be difficult for some providers in current economic conditions.

Although the current policy is to continue with increases in future years, that will be for future regulations. This IA is for the 2011 regulations, which effect a one-off 10% increase lasting until future regulations are made.

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	It will be reviewed Autumn 2011
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: *Tim Loughton* ..... Date: 26th February 2011 ....

Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	**High:** Optional	**Best Estimate: £0**

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0		0.5	**4.3**
High	0		0.5	**4.3**
Best Estimate	0		0.5	**4.3**

Description and scale of key monetised costs by 'main affected groups'

The monetised cost is the total increase in fees paid by social care providers that are inspected by Ofsted. These include children's homes, voluntary adoption agencies, adoption support agencies, fostering agencies and residential family centres, residential special schools, boarding schools and residential colleges, and local authorities for inspection of their adoption and fostering functions.

Other key non-monetised costs by 'main affected groups'

None.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		0.5	**4.3**
High	0		0.5	**4.3**
Best Estimate	0		0.5	**4.3**

Description and scale of key monetised benefits by 'main affected groups'

The regulations cover Voluntary adoption agencies, Adoption support agencies, Fostering agencies, Children's homes, Residential family centres, Boarding schools, Residential colleges (Further education), Residential special schools, and Local Authority adoption and fostering functions.

The monetised benefit is the increase in fees received by Ofsted from these social care providers.

Other key non-monetised benefits by 'main affected groups'

The fees will move towards a situation of full cost recovery, which is more equitable between all the settings inspected by Ofsted; with increased transparency in that the fees will reflect Ofsted's costs of inspection as determined through the tariff (number of inspector-days) times cost per day.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5%

The key assumption is that providers pay the fees that are payable under the regulations.
There is a risk that some might be unwilling or unable to pay. However, we consider this to be unlikely in light of responses to the consultation, which included the fee increases.

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):	In scope
New AB: 0	**AB savings:** 0	**Net:** 0	**Policy cost savings:**	Yes/No

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			England		
From what date will the policy be implemented?			01/04/2011		
Which organisation(s) will enforce the policy?			Ofsted		
What is the annual change in enforcement cost (£m)?			0		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			N/A		
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** 0	**Non-traded:** 0	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			**Costs:**	**Benefits:**	
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	**Micro** c0.3	**< 20** <0.1	**Small** <0.1	**Medium** <0.1	**Large** c0.2
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on…?	**Impact**	**Page ref within IA**
Statutory equality duties[1] Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	
Small firms Small Firms Impact Test guidance	Yes	5-6
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

[1] Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	Consultation www.education.gov.uk/consultations/index.cfm?action=conResults&consultationId=1573&external=no&menu=3
2	2010 regulations are SI 2010 no.617
3	2007 « principal » regulations are SI 2007 no.694
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y_0	Y_1	Y_2	Y_3	Y_4	Y_5	Y_6	Y_7	Y_8	Y_9
Transition costs	0	0	0	0	0	0	0	0	0	0
Annual recurring cost	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total annual costs	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Transition benefits	0	0	0	0	0	0	0	0	0	0
Annual recurring benefits	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total annual benefits	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

* For non-monetised benefits please see summary pages and main evidence base section



http://communities/sites/FamG/CiC/Lists/

Evidence Base (for summary sheets)

Background and Problem under consideration

1. Fees are payable to Her Majesty's Chief Inspector of Education, Children's Services and Skills ("the Chief Inspector") for applications for registration, or variation of registration, in respect of children's homes, voluntary adoption agencies, adoption support agencies, fostering agencies and residential family centres, and as annual fees for regulation and inspection by these establishments and agencies and for inspection by residential special schools, boarding schools and residential colleges, and by local authorities for inspection of their adoption and fostering functions. This covers approximately 3,800 providers. The majority are small organisations – eg the typical children's home has less than three places. However some are larger, such as boarding schools or local authorities.

2. The fees are set by Regulation.

3. The current fees do not, in general, accurately reflect the costs of inspection. The majority of providers pay less than full cost, in some cases considerably less. The current situation where providers do not all pay the full cost of inspection, effectively means Ofsted is subsidising these inspections and therefore the market as a whole. Both providers and users of services benefit from a transparent inspection regime. Providers benefit from the fact that the quality of the service they offer is recognised, which they can reflect in their fees. Purchasers of the services benefit as they can factor service quality into their decisions about which providers to use and helping them make optimal choices. We therefore dismissed option (0) – to leave the fees unchanged.

4. In 2001, the Department of Health (DH) consultation paper *Frequencies of Inspection and Regulatory Fees* proposed a fee structure for regulatory work undertaken under the Care Standards Act (CSA) 2000 and to move over several years towards an objective of full cost recovery. There have been increases in fees in recent years, and some providers now have fees reflecting Ofsted costs (these are capped at this level), however about three quarters have fees below cost. The overall approach of moving towards cost recovery remains the direction of Government policy.

Proposed changes to Fees

5. For those providers whose fees have reached full cost, we consulted on a proposal in 2009/10 that Ofsted's cost data from 2008-9 (which was the latest available prior to consultation) will form the basis for setting the annual fees for inspection from April 2010, for three years.

6. For the majority of providers, who currently pay significantly less than the actual cost of inspection, we consulted also on how to move to a more robust and transparent approach to setting annual fees, which will aim to achieve full cost recovery over time.

7. The consultation proposed (option 1) that those providers who are currently paying less than the average cost of inspection will have an annual 10% increase to their annual fee from 1 April 2010, for three years, unless they reach full cost recovery (in which case they would be capped at that level). Those providers whose fees reach full cost will remain at this level until the next review.

8. We considered an alternative option (2) to have a higher rate of annual increase - above 10% - to reach full cost recovery quicker. However, given the current economic climate and the fact that many of the providers - particularly children's homes - are small, we

have set the increase at 10% in order to set a balance between full cost recovery and affordability.

9. Responses to consultation agreed to the 10% annual increase, and that this continues for three years. The 10% increase in 2011 will be the second year of increase at this rate. We plan to review the policy on our approach to fees in 2013.

Costs and Benefits of preferred option

Costs

10. The fees from April 2011 are set out in the Annex. The increase in total fees raised as a result of the changes, compared to the 2010 levels, is approximately £½ m per annum.

11. £½ m is consistent with the increase last year, when the fees also rose 10%. The attached spreadsheet sets out some more detail of the numbers of settings and the increase in each setting's fees, but the exact final figure for the total increase is dependent on the number of places at each setting, which Ofsted collect each year.

12. Faced with the increased fees, providers can decide to 1) absorb the increased cost, 2) pass on the cost to the Local Authority through renegotiated prices, or 3) reduce provision of childcare. Given that the supply of demand by the Local Authority is fixed, it is likely that much of the increased cost will be passed onto the Local Authority. This is an effective transfer of funds from the Local Authority to Ofsted. The consultation, as well as the relatively low-level of fees compared with total costs, strongly suggests that there will not be a decrease in provision.

Benefits

13. The general benefit of moving towards full cost recovery is that it ensures that costs are transparent and are borne more equitably by the providers of services, as providers will no longer be significantly under- or over- charged in relation to the cost of inspection.

14. The quantified benefit of the increase in fees paid by providers is a corresponding increase in revenue to Ofsted. The benefits and costs are therefore equal.

15. We rejected option 0 (which would have no costs or benefits).

16. Option 2 was rejected on grounds of concern about affordability for providers, particularly the smaller organisations, and we have not costed it. The costs and benefits would equal each other unless providers went out of business, which would be an additional cost.

Implementation

17. Ofsted will invoice providers according to the times set in the regulations, similarly to previous years.

18. The administrative costs of paying fees at the new levels are the same as at the 2010 levels, so there is no new administration burden for providers.

Consultation

19. The Department carried out a 12 week consultation until 11/2/10:

- 86% of respondents agreed that our approach towards full cost recovery over an extended time period strikes the right balance between full cost recovery and affordability
- 75% of respondents supported 10% increases per annum for those providers whose fees are less than the actual cost of inspection.
- 86% agreed with our proposals to move over time towards more a transparent structure for the setting of fees; where fees are based on the actual cost to Ofsted of inspection (rather than the number of places), with fees for those which have reached this level already being capped so that they do not exceed it.
- 88% of respondents preferred to have a three yearly review of fees.

A report of the consultation outcome is available at Thttp://www.education.gov.uk/consultations/index.cfm?action=conResults&consultationId=1573&external=no&menu=3

20. Following the decision to have 10% increases per year for three years, following the consultation, new Ministers decided in Autumn 2010 to continue with this approach. The fees set out in the 2011 regulations are the same as set out in the impact assessment that accompanied the consultation (to apply for the coming year).

Risks and assumptions

21. The key assumption is that providers pay the fees that are payable under the regulations. There is a risk that some might refuse to pay, or go out of business. However, in light of the consultation on the level of increase, we consider it to be affordable.

Summary

22. The option to do nothing was rejected in order to move towards a system where the fees for children's social care inspection cover the costs of the inspection regime

23. We rejected the option to pursue faster increases in fees on grounds of concern about affordability in the present economic climate.

24. We will set in regulations the fees payable to Ofsted for 2011, as consulted upon,
    - with 10% increases for social care inspection and regulation for those providers who are paying less than full cost;
    - we will cap the fees for providers who are paying at, or near to, full cost.

25. Ofsted will invoice providers and collect fees as in previous years.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review]; We will review the fee income arising from the Regulations, in comparison to Ofsted's costs, in Autumn 2011 - before making plans for the fees to apply in 2012.
Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?] The review will check the success of the Regulations in respect of the collection of income towards Ofsted's costs.
Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach] The review will be undertaken with Ofsted. We next plan to consult with the social care sector in 2012, about the approach to fees for 2013.
Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured] The impact is measured as changes compared to the fees for 2010-11 under current regulations.
Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives] Success will be assessed as whether the fees paid to Ofsted are closer to the costs of inspection.
Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review] Ofsted collect systematic information about the fees received from social care settings. They also produce audited accounts reflecting their costs.
Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here] N.A.

Add annexes here.

Annual Fees 2011-12

Voluntary adoption agencies
£834.90; or £417.45 in respect of each small branch (previously £759 or £379.50 respectively).

Adoption support agencies
£834.90, or small adoption support agency £417.45 (previously £759 or £379.50 respectively).

Fostering agencies
£1597 (previously £1597 ie unchanged).

Children's homes
- 3 or fewer approved places, £1202.74;
- 4 - 69 approved places £1202.74 plus £119.79 for each approved place from the 4th to the 69th place inclusive;
- more than 69 approved places, £9120.

(previously £1093.40 for 3 or fewer places; or £1093.40 plus £108.90 for each approved place from the 4th up to 76, above which £9120).

Residential family centre
- 3 or fewer approved places, £801.02;
- 4 - 6 approved places £801.02, plus £100.43 for each approved place from the 4th to the 6th place inclusive;
- more than 6 approved places, £1138.

(previously £728.20 for 3 or fewer places; or £728.20 plus £91.30 for each approved place from the 4th up to 7, above which £1138).

Boarding school
- 3 or fewer approved places, £522.72;
- 4 - 17 approved places £522.72, plus £31.46 for each approved place from the 4th to the 17th place inclusive;
- 18 - 50 approved places, £994;
- 51 - 500 approved places, £1391;
- 501 - 800 approved places, £1789;
- more than 800 approved places, £2186.

(previously £475.20 for 3 or fewer places; or £475.20 plus £28.60 for each approved place from the 4th to 21; or £994 for 22-50 places, otherwise as above).

Residential college
- 3 or fewer approved places, £522.72;
- 4 - 17 approved places £522.72, plus £31.46 for each approved place from the 4th to the 17th place inclusive;
- more than 17 approved places, £969.

(previously £475.20 for 3 or fewer places; or £475.20 plus £28.60 for each approved place from the 4th to 20; or £969 for more than 20 places).

Residential special school
- 3 or fewer approved places, £961.95;
- 4 - 23 approved places £961.95, plus £95.59 for each approved place from the 4th to the 23rd place inclusive;
- more than 23 approved places, £2899.

(previously £874.50 for 3 or fewer places; or £874.50 plus £86.90 for each approved place from the 4th to 26; or £2899 for more than 26 places).

Local authority adoption and fostering functions

- relevant adoption functions £1549 (previously £1549 ie unchanged).
- relevant fostering functions £2404.27 (previously £2185.70).